

CHAPTER 800

EMPLOYEE BENEFITS

1. **BACKGROUND.** Federal employment carries certain benefit programs such as the Federal Employees' Retirement System (FERS), Civil Service Retirement System (CSRS), Thrift Savings Plan (TSP), Federal Employees' Health Benefits (FEHB), Federal Employees' Group Life Insurance (FGLI) and death benefits. The features of these programs are briefly discussed below. The Department of the Navy's regionalization of the civilian human resources function had significant impact on the roles, responsibilities and procedures for administration of these benefit programs. Responsibility for the administration of all these employee benefit programs rests with the employee and with the Human Resources Service Center (HRSC) East. HRO Norfolk provides information and advisory services to managers, supervisors and employees regarding these programs.

2. **RETIREMENT.** There are presently two Federal retirement plans in effect. Employees are covered either under the Federal Employees' Retirement System (FERS) or the Civil Service Retirement System (CSRS). An additional element of CSRS is the CSRS (Offset). FERS became effective January 1, 1987. Almost all new employees hired in a civilian capacity after December 31, 1983 are automatically covered by FERS. CSRS became a closed retirement system in 1984. The type of appointment and previous federal civilian service determines an employee's retirement plan coverage. Employees should be aware of the features of their retirement plan with respect to such things as eligibility for retirement and the effects of prior federal service both military and civilian. Individual retirement counseling and processing assistance is the responsibility of the HRSC. HRO Norfolk responds to customer activity requests for group training concerning retirement benefits and procedures.

3. **THRIFT SAVINGS PLAN (TSP).** This is a defined contribution plan administered by the Federal Retirement Thrift Savings Board. All employees with retirement coverage are eligible to contribute to TSP; however, the amount of their contribution will depend on their retirement coverage. In addition to varying contribution amounts, employees are permitted to make investments among five fund programs. This 401K type of investment strategy is an integral part of the retirement annuity for FERS enrollees. For CSRS enrollees it is supplemental to the defined annuity.

4. **HEALTH INSURANCE.** The Federal Employee's Health Benefits (FEHB) Program is a voluntary program. Employees have a choice of available plans and may select the one most suited to their health care needs. The cost is shared between the employee and the Government. All employees, except those excluded by law or regulation, are eligible to participate.

a. An eligible employee may elect this coverage without a medical examination or restriction due to age, current health or pre-existing conditions. The employee has 60 days from the date of eligible appointment to elect coverage. Choices in health insurance coverage range from Health Maintenance Organizations to Fee for Service Plans.

b. Health insurance cost is paid by payroll deduction. An employee who elects FEHB will automatically be participating in FEHB premium conversion unless they elect to waive participation. Premium conversion means FEHB premiums will be paid with pre-tax dollars. Participation will reduce Federal taxable income; however, it also reduces the gross pay for Social Security wages.

c. Each year employees have the opportunity to change their enrollment during the annual "Open Season," which occurs during mid-November through mid-December. Any other changes in enrollment are allowed only if they meet the definition of a "Qualifying Life Event," such as changes in marital or family status.

d. Health insurance coverage may be continued after retirement if certain conditions are met. Benefits and costs are the same for retirees as for employees.

5. **LIFE INSURANCE.** Federal Employee's Group Life Insurance (FEGLI) is term insurance with no cash value. An eligible employee is automatically enrolled in the Basic Life Insurance unless the coverage is waived. Employees may elect additional optional insurance within the first 31 days after appointment. This additional insurance is available without a medical examination. Any options not elected will be deemed as waived. Currently, the FEGLI program has *Basic, Option A-Standard, Option B-Additional, and Option C-Family*. The coverage under each of these is explained in the FEGLI handbook provided to new employees. Life insurance must be paid through payroll deduction. The cost of the Basic insurance is shared between the employee and the Government. The employee pays the full cost of any Optional coverage elected. During any periods while in a leave-without-pay status (up to 12 months per year), Basic and Optional coverage are continued at no cost to the employee.

6. **ELECTION OF BENEFITS.** HRSC East has two automated systems for employees to make their benefit elections, the Employee Benefits Information System (EBIS) and the Benefits Line. Access through EBIS is through the Internet with a personal computer. The Benefits Line is an interactive voice response system that allows access with a touch-tone telephone. Both systems are available 24 hours a day, 7 days a week. These two systems are the recognized vehicle for making employee elections.

7. **DECEDENT AFFAIRS.** Line-of-duty civilian deaths must be reported following the Navy's Decedent Affairs Program. HRO Norfolk will provide assistance as needed. Other active civilian employee deaths should be reported via a Request for Personnel Action (RPA). The HRSC East will provide individualized counseling on survivor benefits in the event of death of an active employee. The counseling will be provided via telephone. HRO Norfolk will also answer questions for survivors regarding any benefit entitlements.